



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

Date: January 9, 2004

To: Members of the News Media

From: Mitchel Benson, (916) 653-4052

Re: **Materials from Treasurer Angelides' News Conference this Afternoon**

As a follow-up to Treasurer Angelides' news conference this afternoon and in response to Gov. Schwarzenegger's budget plan, please find the attached materials:

- * Chart: "Governor's Budget Continues Reliance on One-Time Measures and Deferrals"
- * Treasurer Phil Angelides' Record of Opposition to Deficit Bonds

A recorded replay of the news conference is available through 11:59 pm PST, Monday, January 12. The call-in number is (888) 403-4662.

Governor's Budget Continues Reliance on One-Time Measures and Deferrals

| | |
|--|--------------------------|
| Education Credit Card (Deferral) | \$1 billion |
| K-12 One-time Base Change | \$2 billion |
| Transportation - Proposition 42 | \$1 billion |
| New Pension Obligation Bond | \$1 billion |
| Deficit Bond Proceeds Used in '04-05 | \$3 billion |
| Total of Above Measures | <hr/> \$8 billion |
| Total as % of \$14 B '04-05 Deficit | 57 percent |

* The above figure does not include the roughly \$4 billion in additional interest cost in future years due to the longer maturity on the Deficit Bonds

Treasurer Phil Angelides' Record Opposing Deficit Borrowing Bonds

- **May 19, 2003** Angelides, meeting with Sacramento Bee Capitol Bureau, says he is opposed to Democratic Gov. Gray Davis' plan to raise the sales tax by ½-cent to help pay off proposed \$10.7 billion deficit borrowing bond ("Angelides hits Davis sales-tax plan," Sacramento Bee, 5/20/03)
- **June 9, 2003** Angelides sends letter to GOP Leaders Brulte and Campbell, saying, "I oppose your budget proposals because I do not believe that the deficit financing that you have outlined is feasible or prudent. ..." ("Budget Rancor Increases," LA Times, 6/10/03; "Budget Meltdown," San Diego Union-Tribune, 6/13/03)
- **June 17, 2003** Angelides, speaking to the Sacramento Press Club, says the Republicans' proposed deficit rollover of \$10 billion-plus "will not work in the marketplace" and "their budget will do real damage to the kind of work we need for continued economic prosperity... There is simply not room in their budget to support more general obligation bonds issues, to make the kind of critical infrastructure investments we need."
- **August 22, 2003** Angelides, meeting with reporters to discuss the recently approved 2003-04 budget, reiterates his opposition to the Legislature's borrowing \$18 billion "to balance the budget," saying it would be "a formidable task for my office to undertake a number of sizable, complex financial transactions in a very tough environment." ("Budget Plan Risky, Official Warns," LA Times, 8/23/03)
- **October 22, 2003** Angelides, in a press release, announces sale of \$1.8 billion in RANs and reiterates his believe that it was not fiscally prudent to rely on bonds to close the State's budget deficit for the 2003-04 year.
- **November 6, 2003** Angelides releases 2003 Debt Affordability Report, says that the State has "already authorized too much debt. In no event should we authorize any additional deficit borrowing. It will be crippling to the State's fiscal integrity and health."
- **November 18, 2003** Angelides says Gov. Schwarzenegger's proposal to sell up to \$15 billion in deficit bonds is "ludicrous," saying it is "the wrong path is to move to more borrowing, more deficit spending for the people of California." ("Governor Proposes Bond Measure of \$15 Billion," LA Times, 11/19/03)